

AMENDED IN SENATE JULY 15, 2010

AMENDED IN SENATE JUNE 10, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2275

Introduced by Assembly Member Hayashi
(Coauthor: Assembly Member Ma)
(Coauthor: Senator Aanestad)

February 18, 2010

An act to add Section 1374.195 to the Health and Safety Code, and to add Section 10120.3 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2275, as amended, Hayashi. Dental coverage: noncovered benefits.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of its provisions a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires contracts between plans or insurers and providers to be fair and reasonable and requires plans and insurers to reimburse a claim for covered services within a specified period of time of receiving the claim.

This bill would, with respect to ~~plan contracts and policies that cover dental services, prohibit a plan or insurer from requiring a dentist to accept an amount set by the plan or insurer as payment for dental care services provided to an enrollee or insured unless the dental care services~~

~~are covered services under the plan contract or policy, as specified a contract between a health care service plan, specialized health care service plan, or insurer covering dental services and a dentist to provide dental services to enrollees or insureds, prohibit the contract from requiring a dentist to accept an amount set by the plan or insurer as payment for dental care services provided to an enrollee or insured that are not covered services under the contract. The bill would also prohibit a provider from charging more than his or her usual and customary rate for dental services not covered under the contract or policy.~~

Because a willful violation of this prohibition by a health care service plan would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1374.195 is added to the Health and
- 2 Safety Code, to read:
- 3 ~~1374.195. (a) With respect to a health care service plan contract~~
- 4 ~~covering dental services or a specialized health care service plan~~
- 5 ~~contract covering dental services pursuant to this chapter, the plan~~
- 6 ~~shall not require a dentist to accept an amount set by the plan as~~
- 7 ~~payment for dental care services provided to an enrollee unless~~
- 8 ~~the dental care services are covered services under the enrollee's~~
- 9 ~~plan contract.~~
- 10 1374.195. (a) *With respect to a contract between a health*
- 11 *care service plan or specialized health care service plan and a*
- 12 *dentist to provide covered dental services to enrollees of the plan,*
- 13 *the contract shall not require a dentist to accept an amount set by*
- 14 *the plan as payment for dental care services provided to an*
- 15 *enrollee that are not covered services under the enrollee's plan*
- 16 *contract.*

(b) For purposes of this section, “covered services” or “*covered dental services*” means dental care services for which—~~a reimbursement is available under an enrollee’s plan contract the plan is, pursuant to provider contracts, obligated to pay, or for which a reimbursement would be available the plan would be obligated to pay~~ but for the application of contractual limitations such as deductibles, copayments, coinsurance, waiting periods, annual or lifetime maximums, frequency limitations, *or* alternative benefit payments, ~~or any other limitation. payments.~~

(c) This section shall only apply to provider contracts issued, revised, or renewed on or after January 1, 2011.

~~(d) This section shall not apply to a discount health plan provider agreement regulated by the department under subdivision (a) of Section 1341.~~

(d) A provider shall not charge more for dental services that are not covered services under the contract than his or her usual and customary rate for those services.

SEC. 2. Section 10120.3 is added to the Insurance Code, to read:

~~10120.3.—(a) With respect to a health insurance policy covering dental services or a specialized health insurance policy covering dental services pursuant to this code, the insurer shall not require a dentist to accept an amount set by the insurer as payment for dental care services provided to an insured unless the dental care services are covered services under the insured’s policy.~~

10120.3. (a) With respect to a contract between an insurer covering dental services and a dentist to provide covered dental services to insureds, the contract shall not require a dentist to accept an amount set by the insurer as payment for dental care services provided to an insured that are not covered services under the insured’s policy.

(b) For purposes of this section, “covered services” means dental care services for which ~~a reimbursement by the insurer is available under an insured’s policy, or for which a reimbursement would be available but for the application of contractual limitations such as deductibles, copayments, coinsurance, waiting periods, annual or lifetime maximums, frequency limitations, or alternative benefit payments, or any other limitation. payments.~~

(c) This section shall only apply to provider contracts issued, revised, or renewed on or after January 1, 2011.

1 ~~(d) This section shall not apply to a discount health plan provider~~
2 ~~agreement regulated by the Department of Managed Health Care~~
3 ~~under subdivision (a) of Section 1341 of the Health and Safety~~
4 ~~Code.~~

5 *(d) A provider shall not charge more for dental services that*
6 ~~*are not covered services under the contract or policy than his or*~~
7 ~~*her usual and customary rate for those services.*~~

8 SEC. 3. No reimbursement is required by this act pursuant to
9 Section 6 of Article XIII B of the California Constitution because
10 the only costs that may be incurred by a local agency or school
11 district will be incurred because this act creates a new crime or
12 infraction, eliminates a crime or infraction, or changes the penalty
13 for a crime or infraction, within the meaning of Section 17556 of
14 the Government Code, or changes the definition of a crime within
15 the meaning of Section 6 of Article XIII B of the California
16 Constitution.